



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE**

**KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 140
LOS ANGELES, CALIFORNIA 90012**

Wednesday, August 20, 2014

2:00 PM

AUDIO LINK FOR THE ENTIRE MEETING. (14-3838)

Attachments: [AUDIO](#)

Present: Chair Carl Gallucci, Vice Chair Lori Glasgow, Member Louisa Ollague and Elan Schultz for Member Kieu-Anh King

Absent: Member Dorinne Jordan

I. ADMINISTRATIVE MATTERS

1. Call to Order. (14-3577)

The meeting was called to order by Lori Glasgow at 2:18 p.m.

2. Approval of the July 16, 2014 meeting minutes. (14-3578)

On motion of Louisa Ollague, seconded by Elan Schultz, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. BOARD POLICY

3. Recommendation to approve amendments to Board Policy No. 3.035 - Small Business Payment Liaison and Prompt Payment Program, and extend the sunset review date to October 17, 2018 (7/31/14). (14-3572)

Gerald Plummer and Debbie C. Johnson, Internal Services Department, provided an overview of the Small Business Payment Liaison and the Prompt Payment Program and responded to questions posed by Louisa Ollague with regard to how the August 12, 2014 motion made by Supervisor

Don Knabe, Fourth District, relates to this policy. Mr. Plummer stated that the liaison position remains status quo. A report back from the Chief Executive Office is due to the Board of Supervisors by November 2014; Louisa Ollague asked that a reference regarding the liaison position be included.

By Common Consent, there being no objection, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

III. SUNSET REVIEWS

4. Recommend to the Board of Supervisors to extend the Los Angeles County Aviation Commission's sunset review date to June 1, 2019 (7/23/14). (14-3364)

On motion of Elan Schultz, seconded by Lori Glasgow, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

5. Recommend to the Board of Supervisors to extend the Los Angeles County Commission on Alcohol and Other Drugs' sunset review date to January 1, 2016 (8/4/14). (14-3573)

On motion of Elan Schultz, seconded by Louisa Ollague, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

IV. OLD BUSINESS

6. Recommendation to approve amendments to Board Policy No. 5.070 - Multi-Year Services Contract Cost of Living Adjustments and extend the sunset review date to March 18, 2018 (12/31/13) (Continued from meetings 1/15/14, 2/19/14, 3/19/14, 4/16/14, 5/21/14 and 7/16/14. (14-0216)

On motion of Lori Glasgow, and by Common Consent, there being no objection, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

7. Recommendation to approve amendments to Board Policy No. 9.010 - Equal Employment Opportunity Non-Discrimination Policy Statement And Poster, and extend the sunset review date to June 30, 2018 (5/14/14) (Continued from the meetings of 5/21/14 and 7/16/14). (14-2277)

On motion of Elan Schultz, seconded by Louisa Ollague, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

8. Recommendation to approve amendments to Board Policy No. 3.105 - Redevelopment Goals, and extend the sunset review date to October 8, 2018 (6/25/14) (Continued from meetings of 7/16/14). (14-3173)

On motion of Lori Glasgow, seconded by Elan Schultz, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

9. Recommendation to approve substantive changes to Board Policy No. 4.040 - Debt Management Guidelines, extend the sunset review date to August 19, 2018 and submit to the Board of Supervisors for final action (7/9/14) (Continued from the meeting of 7/16/14). (14-3193)

Jan Takata, Chief Executive Office, reported that the guidelines represented in this policy are comparable with other similar size jurisdictions and provided an overview of short term and long term ratings of annual debt service payments.

On motion of Carl Gallucci, seconded by Elan Shultz, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

10. Department of Children and Family Services - Payroll/Personnel Follow-Up Review (6/30/14) (Continued from the meeting of 7/16/14). (14-3050)

Elan A. Shultz expressed concern about the 15 recommendations that were not implemented by the Department of Children and Family Services (DCFS).

Lori Glasgow asked that this item be referred to the Children and Families' Well-Being Cluster.

Arlene Barrera, Auditor-Controller (A-C), reported that DCFS took initial steps to implement the recommendations but discontinued their efforts alleging the recommendations were not sustainable.

Robert Smythe, A-C, reported that no system control can prevent overpayments given that these issues are derived from human error.

By Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 11.** Fire Department - Procurement Review (7/2/14) (Continued from the meeting of 7/16/14). (14-3086)

By Common Consent, there being no objections, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

V. REPORTS

- 12.** Sheriff's Department's Request To Reduce The Balance Of Mira Loma Detention Center (TK7-1143) And Sybil Brand Institute (TK7-1130) Revolving Cash Trust Fund (7/15/14). (14-3245)

On motion of Louisa Ollague, seconded by Elan Schultz, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 13.** Office of the Assessor - Second Status Report on Management Audit Recommendations (Board Agenda Item 47, January 8, 2013) (7/15/14). (14-3246)

On motion of Louisa Ollague, seconded by Elan Schultz, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 14.** Final Cash Flow Report - Fiscal Year 2013-14 (7/25/14). (14-3521)

On motion of Louisa Ollague, seconded by Elan Schultz, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

15. Quarterly Report On Impact Of Health Care Reform On County Cash Flows (7/25/14). (14-3523)

John Naimo, Auditor-Controller, reported that there is a State and Countywide backlog for Medi-Cal cash flow; Statewide backlog appears to derive from California Healthcare Eligibility, Enrollment and Retention System issues. The County is expected to get reimbursed for services that were rendered to patients with a pending status for their Medi-Cal eligibility.

Lori Glasgow expressed concern with loans made to the Department of Health Services totaling a sum of \$871 million. Mr. Naimo reported that the loans also include funds allocated for long term receivables and his office is concerned with loans that exceed \$1 billion; Mr. Naimo will keep the Board of Supervisors informed of such loans.

By Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

16. Children's Hospital Los Angeles - A Department of Public Social Services Cal-Learn Program Provider - Contract Compliance Review (7/29/14). (14-3525)

Don Chadwick, Auditor-Controller, reported that the Department of Public Social Services will provide a repayment status update at the next Audit Committee meeting.

By Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

17. Internal Services Department - Countywide Utility Billing System Review (7/29/14). (14-3528)

By Common Consent, there being no objections, this item was continued to next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

18. AIDS Healthcare Foundation - A Department of Public Health Division of HIV and STD Programs Provider - Contract Compliance Review (7/30/14). (14-3567)

By Common Consent, there being no objection, this item was referred to the Health and Mental Health Services Cluster and will be presented at a subsequent Audit Committee meeting.

Attachments: [SUPPORTING DOCUMENT](#)

19. District Attorney's Asset Forfeiture Fund (7/30/14). (14-3570)

On motion of Louisa Ollague, seconded by Elan Schultz, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

20. Sheriff's Department - Provisional Financing Uses Funding Claim Review (March through May 2014) (7/30/14). (14-3571)

On motion of Louisa Ollague, seconded by Elan Schultz, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

21. Project Angel Food - A Department of Public Health Division of HIV and STD Programs Provider - Contract Compliance Review (8/11/14). (14-3683)

Don Chadwick, Auditor-Controller (A-C), reported that it takes time for the Department of Public Health (DPH) to send a collection notice and that allows the agency more time to repay. A-C staff will provide the Audit Committee with a status update, via email, by the end of August 2014.

Elan Shultz expressed concern with the agency not providing documentation for 15 of the 17 outstanding reconciling items totaling \$82,753 and asked A-C staff to follow-up with the agency and email the Audit Committee with a status update, the email will also include the Cost Allocation Plan from DPH. Mr. Chadwick reported that the \$82,753 related to the 15 outstanding reconciling items may be from prior program years; DPH will be invited to the October 2014 Audit Committee meeting.

On motion of Elan Shultz, seconded by Carl Gallucci, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

22. Fiscal Year 2013-14 Fourth Quarter Report And Annual Recap On Audit-Related Funding Transferred From General Fund Departments (8/13/14). (14-3691)

On motion of Louisa Ollague, seconded by Elan Schultz, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

VI. DISCUSSIONS

23. CARD - Status Report. (14-3579)

Aggie Alonso, Auditor-Controller (A-C), provided an overview of the Contractor Alert Reporting Database (CARD) August 2014 report, including eight additional agencies that were added to CARD.

Louisa Ollague questioned why L.A. Works was not included in the August 2014 CARD report and A-C staff indicated that at the time of the Audit report, L.A. Works agreed to pay outstanding funds; L.A Works is expected to be included in the September 2014 CARD report.

Attachments: [SUPPORTING DOCUMENT](#)

24. Pending Audits/Monitoring Reports. (14-3580)

Arlene Barrera, Auditor-Controller provided a brief overview on the status of the MLK-LA audit report due dates. Audit Committee staff requested a discussion item be placed on a future agenda for discussion.

VII. MISCELLANEOUS

25. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (14-3581)

There were no matters presented. (14-3923)

26. Public Comment. (14-3582)

No members of the public addressed the Committee.

27. Adjournment. (14-3583)

There being no further business to discuss, the meeting adjourned at 3:03 p.m.